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SUBJECT: SCENESETTER FOR SPEAKER HASTERT'S VISIT TO VIETNAM

¶1. (SBU) Mr. Speaker: Your visit to Vietnam comes at an important time in our bilateral relationship. Last year, the United States and Vietnam commemorated the tenth anniversary of normalized relations, the highlight of which was the very successful visit to the United States by Prime Minister Phan Van Khai. Our two countries are engaged in dialogue and cooperative efforts across a broad range of areas, many of which were heretofore considered too contentious or sensitive to address. Finally, as host of APEC 2006, Vietnam is preparing to hold the APEC Leaders Meeting in November, which will include a visit by President George W. Bush.

¶2. (SBU) Vietnam's leaders are engaged in intense preparations for the Tenth Congress of the Vietnamese Communist Party, which will take place April 18-25. This congress will be an opportunity for the Party to both evaluate the last 20 years of economic liberalization and international integration and set the nation's policies for the next five years. The congress will also usher in a new slate of leaders, some of whom may represent more reformist tendencies than in the past. Against this backdrop, a modest, but nonetheless refreshing, political debate is taking place in the press and on the internet that is raising questions about the role and future of the Communist Party. While the primacy of the Communist Party is in no danger, this debate is giving the Vietnamese public a taste of what an open political discussion is all about, and could auger well for future political progress.

¶3. (SBU) Vietnam has traditionally reserved the period immediately before the Party Congress for visits by Communist brethren. (A member of the Chinese Communist Party's Politburo has reportedly asked to come to Hanoi next week as well.) Agreeing to welcome you at this important and sensitive time is significant and sends a message about the growing importance of our bilateral relationship. Your visit can amplify this by conveying to senior Vietnamese leaders and the public our desire to engage with Vietnam as a friend and partner to address mutual concerns.

¶4. (SBU) There is a growing conviction among senior Vietnamese leaders that, in addition to being a vital source of financial and technical assistance and a huge market for Vietnamese goods, the United States represents a key counterpart in efforts to advance Vietnam's national interests, particularly in the areas of trade and investment. Economic ties are central to the U.S.-Vietnam

bilateral relationship, and Vietnam's strong desire to accede to the WTO this year (including receiving the blessing of a favorable PNTR vote) will figure heavily in your meetings here.

¶5. (SBU) During your visit, we hope that you will:

- underscore solid U.S. support for Vietnam's WTO accession and encourage continued economic reform;

- suggest that our increasingly overlapping national interests argue for even greater cooperation and coordination on a number of global and regional issues of mutual concern, including the rise of China, HIV/AIDS and Avian Influenza;

- stress that Vietnam's efforts to improve its human rights and religious freedom situations will send an important message to the American people and the international community about Vietnam's commitment to address our concerns;

- and, thank the Government of Vietnam for their assistance in accounting for those lost during the Vietnam War and urge further progress.

WTO Accession

¶6. (SBU) At the top of Vietnam's foreign policy agenda is its desire to accede to the WTO prior to the APEC Leaders Meeting in November. The commitment of President Bush and the United States to Vietnam's WTO accession remains rock-solid, but the deal must be on the right commercial terms. What remain are a number of technical issues that both

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negotiating teams need to work out. Significantly, Vietnam's leadership is aware that time is running out, and that a bilateral deal must be completed soon.

Increasing Overlap of National Interests: China

¶7. (SBU) Vietnam's leadership increasingly recognizes that our two countries share a number of regional and global interests, and this is spurring progress in bilateral ties. First among these is the shared interest in ensuring that China rises peacefully and is not allowed to dominate the region or regional organizations. Although the subject of China may not come up directly, you may hear that Vietnam welcomes the role of the United States in the region and urges us to strengthen our relations with the Association of Southeast Asian Nations (ASEAN), including expanding trade and investment ties. We value our partnership with ASEAN and its members (Burma excepted) and we look forward to working with these countries to address transnational issues of mutual concern.

Health Cooperation: HIV/AIDS...

¶8. (SBU) Another area in which U.S. and Vietnamese national interests overlap, and where we are expanding our cooperative ties, is the field of health. Vietnam is one of fifteen countries in President Bush's Emergency Plan for AIDS Relief. Vietnam's HIV/AIDS problem is largely a drug-centered epidemic that is now moving into the general population. We will provide Vietnam with USD 34 million in Fiscal Year 2006 assistance to support prevention, care and treatment programs to combat HIV/AIDS. With this funding, U.S.-supported programs will provide an estimated 3,500 people with ARV treatment, HIV counseling and testing for 97,000 individuals and care for 1,500 orphans and vulnerable children. In Fiscal Year 2007, our funding is expected to be over USD 50 million.

...and Avian Influenza

¶9. (SBU) Avian Influenza is an issue of critical concern, with the potential to trigger a global pandemic. From 2004 to 2006, the United States has committed USD 24 million through HHS, USAID and USDA to improve Vietnam's basic veterinary and health systems to contain Avian Influenza in Vietnam, where 50 million poultry have been culled, and 42 human deaths recorded. U.S. industry is also playing a role in this effort.

Assistance, Bilateral Cooperation Continue to Expand

¶10. (SBU) U.S. assistance to Vietnam is becoming as varied as the areas in which our two countries cooperate. In addition to working with Vietnam to combat HIV/AIDS and Avian Influenza, other highlights of our assistance and cooperative programs are:

-- USAID is supporting Vietnam's transition to an open market economy by strengthening trade liberalization, particularly the legal and trade reforms needed to implement commitments in the U.S.-Vietnam Bilateral Trade Agreement and WTO accession through a USD three million program.

-- Our disability assistance of USD 3.5 million focuses on select vulnerable groups, including victims of war injuries, disabilities and disasters.

-- We support Vietnam's counterterrorism capacity with police training provided by the International Law Enforcement Academy (ILEA) in Bangkok and through military exchanges. We are seeking to expand bilateral cooperation to combat trade in illegal narcotics. We also support anti-trafficking programs run by NGOs operating at the borders of China and Cambodia. Furthermore, we provide assistance in humanitarian demining, clearance of unexploded ordnance and measures to secure trade.

-- Our military-to-military cooperation program with Vietnam is growing. Senior leader exchanges, U.S. Navy ships visits

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and bilateral military dialogues are becoming routine. Vietnam has entered our International Military Education Training (IMET) program that will not only provide English language training to Vietnamese military officers, but also will expose them to our professional and cultural values. These developments will foster our ability to cooperate in humanitarian and other peacekeeping operations. It is positive for both our bilateral relationship and for regional stability as well.

-- Finally, through a combination of Fulbright grants and the Vietnam Education Foundation (VEF), the United States sponsors over 100 students yearly for graduate study in the United States, primarily in science and technology. The Fulbright program is the largest in Asia. The VEF was established with the unpaid proceeds of loans extended to the old South Vietnamese government. FY 2005 assistance under the Fulbright Program and the VEF was USD ten million.

U.S. Firms Can Help Improve Infrastructure

¶11. (SBU) Vietnam's need to modernize and improve its infrastructure creates opportunities for U.S. firms. The quality and cost of Vietnam's telecom, ports, transportation, waste management and supply of fresh water are a concern for any investor. The foundation of the information highway is a competitive telecommunications system, a glaring weakness here. Electricity blackouts are also a major disincentive for any new investment. Vietnam

must also improve its handling of solid and industrial waste. Already some manufacturing firms are putting their expansion plans on hold because the Port of Saigon will reach capacity by December 2006. U.S. firms are actively pursuing contracts to address many of these needs.

Religious Freedom, Human Rights, and Other Key Issues

¶12. (SBU) Vietnam remains an authoritarian, one-Party State with little room for political dissent, although recent reforms have made Vietnam a freer and more open society than it was as few as five years ago. The press and the National Assembly (Vietnam's Congress) are increasingly able to take on subjects such as corruption, fraud and bad policymaking. Modest efforts are underway to devolve power away from the Central Government and increase public accountability. However, several prisoners of concern remain behind bars. Although improving, the treatment of ethnic minorities in the Central and Northwest Highlands remains a concern to the USG.

¶13. (SBU) The religious freedom picture in Vietnam is improving in significant ways, but problems remain. Although Vietnam has promulgated several important new policies on religion designed to facilitate religious practice, consistent, nationwide implementation remains problematic. The Vietnamese are keenly interested in being removed from the list of Countries of Particular Concern (CPC) for religious freedom violations, and will likely argue that their efforts over the past year to advance religious freedom merit the lifting of the CPC designation.

¶14. (SBU) Other key issues include the fullest possible accounting for our men lost during the Vietnam War and Agent Orange. Vietnamese cooperation on the MIA issue remains solid. This year we resumed joint recovery field activities in the Central Highlands, and now are working out details to gain both greater and new access to archival records that may help our work to resolve the 1,382 remaining cases of those lost during the war era. Conversely, with little or no scientific evidence, the Government and media routinely depict virtually all of Vietnam's 1.8 million disabled as "victims of Agent Orange." We do not accept that label, but since 1991, the United States has provided over USD 32 million to address the problems of the disabled here and we continue to look for ways to help address the dioxin contamination problem.

15 (SBU) I and my Country Team are looking forward to your visit. We stand ready to do anything we can to make your time in Vietnam as productive as possible.

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